

LETTER OF AGREEMENT #1 COMPENSATORY TIME

The parties agree that should legislation be enacted that would provide Bargaining Unit employees the right to “bank” overtime hours as compensatory time, the parties will meet upon written request of either party to negotiate the implementation of such legislation.

LETTER OF AGREEMENT #2 EMPLOYEES AT ANNUAL LEAVE MAXIMUM

The parties agree that verification of discussion of the issue concerning scheduling of annual leave for employees approaching the maximum hour limit shall be one of the following. Definition of approaching max. shall be within sixteen (16) hours of reaching annual leave accumulation cap.:

1. Minutes of the Labor Management Meeting at which this item was discussed.
1. Signed documentation confirming that the subject was discussed at a labor management meeting. This documentation shall be signed both by a Representative of the Employer and a Representative of the Local Union.

LETTER OF AGREEMENT #3 AFSCME And State of Michigan, Office of the State Employer Article 16, Section J. Annual Leave Transfer

The parties agree that having a uniform process for donation and receipt of annual leave across State government would increase efficiency and understanding of the procedure.

Following approval of this Agreement, the parties agree to address this issue in the Labor/Management Health Care Committee forum(s) to attempt to remove inconsistencies in the processes and draft a uniform procedure.

Proper subjects to be addressed at this meeting include, but are not limited to:

- Conditions under which leave can be received and
- Conditions under which leave can be donated, and

- The procedure for making such a request.

Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF AGREEMENT #4

Article 3

Upon request of the Union, the Employer will provide available copies of the Request For Proposal (RFP) or similar documents for contracting or sub-contracting bargaining unit work resulting in the displacement of bargaining unit employees.

When employees are scheduled to be displaced as a result of contracting or sub-contracting out, at the request of the Union, the Employer shall facilitate credential reviews through the Civil Service Commission for determination of the classifications for which the displaced employees may qualify.

LETTER OF UNDERSTANDING #1

DISABILITY MANAGEMENT

The parties hereby agree that this Letter shall modify those Articles and Sections of the Agreement which require that employees be fully able to perform all the duties of their position.

The parties recognize that employees may have certain temporary medical restrictions which prevent them from performing their full range of duties. Based solely on the availability of limited duty assignments and the medical limitations placed on employees, such employees will be given limited duty assignments upon request. For the purpose of this Letter, "limited duty assignment" is defined as a Bargaining Unit assignment generally lasting 180 calendar days or less which can be performed by employees whose medical condition does not permit them to perform all of the functions of their classification. Assignments in other bargaining units shall generally last 180 calendar days or less. Employees are eligible for limited duty assignment because of illness or injury and because they are temporarily unable to perform their regular job duties at full capacity. Employees with work related injuries may be offered limited duty assignments. Employees with non-work related injuries or illnesses may volunteer for such assignments. If employees volunteer for limited duty assignments they shall do so by notifying the Agency Human Resource Office and the Local Union in writing of their desire to return to work.

In accordance with Articles 16 and 17, employees on sick leave, Workers' Compensation or medical leave of absence must furnish the Employer the following medical documentation from their physician:

medical condition and prognosis;

projected duration of disability;

any restrictions such as physical movement, and the length of the work day;

a schedule of prescribed physical or occupational therapy;

a description of all prescribed medications and/or prosthetic devices relating to the disabling condition.

The Employer reserves the right to have employees examined by the Employer's physician, without cost to the employee, to determine whether he/she is able to return to work for full or limited duty. Employees who object to examination by a state employed doctor may be examined by a mutually approved doctor. In the absence of mutual agreement, the parties will select a physician from recommendations from a county or local medical society, by alternate striking, if necessary.

After the initial medical documentation has been furnished, employees will be required to provide additional documentation upon request by the Employer, if their medical condition changes, or if the limitations recommended by the treating physician change.

In accordance with paragraph 2, limited duty assignments will generally be for a period not to exceed 180 calendar days. Extensions may be considered on a case by case basis based on medical documentation.

Limited duty assignment shall be made in accordance with the physician's recommendations. Employees who feel they are unable to complete assignments within a pain free range will be required to notify their supervisor immediately and may be required to provide medical certification relating to the assignment. The Employer will make an effort to keep employees on the same shift and schedule while they are on limited duty assignment. There shall be no loss of pay or benefits for employees in limited duty assignments. Such employees may work both voluntary and mandatory overtime in accordance with the medical certification.

Employees are not required to accept such assignments. However, the Employer reserves the right to notify the State's Workers' Compensation insurance carrier that an offer of employment was made.

The Local Union President shall be notified when employees are given limited duty assignments and what the employee will be doing. The Local Union President will also be notified as employees are returned to full duty.

Problems arising under this Letter shall be raised in Agency Labor-Management meetings and shall not be grieved until such discussions have taken place. The time limits in Article 9 shall be extended for this purpose only. If the problems cannot be resolved at the Agency, the Union may bring the problems to the attention of the Central Department Human Resource Office. This request for assistance may be at the Department Labor-Management meeting or by telephone.

LETTER OF UNDERSTANDING #2 PERSONAL LEAVE DAY

The parties agree to the following expedited procedure for handling denials of requested personal leave days.

When an employee has submitted a written request to utilize a personal leave day at least ninety-six hours prior to the beginning of the pay period and when such request has been denied, the employee may present a grievance to the Step One representative with a request to expedite the grievance. If not expedited to the satisfaction of the Union, the Union may verbally contact the Step Two representative, explain the situation and request an expedited answer. If not expedited to the satisfaction of the Union, the Union may contact the Step Three representative, explain the situation and request an expedited answer.

At each step, every effort will be made to answer the grievance prior to the date the personal leave is to be taken.

LETTER OF UNDERSTANDING #3

ARTICLE 22 Section B

During negotiations in 2004, the parties agreed to implement the Disease Management Program known as Blue Health Connection and a PPO network for durable medical equipment and prosthetic and orthotic appliances effective October 1, 2005. Both of these programs will result in improved benefits for

employees and a cost savings to the State Health Plan. The parties therefore agree to request Civil Service Commission approval to implement these provisions effective April 10, 2005 or as soon as administratively feasible thereafter.

LETTER OF UNDERSTANDING #4

ARTICLE 22, SECTION V – LONGEVITY PAY

The parties agree to jointly pursue the creation of a 401(K) match option, which would be offered no later than the 2001 longevity payment. Employees may choose to take the cash payment or have the employer place the employee's longevity payment plus 50% of the associated retirement and Employer FICA savings into the employee's 401(K) account consistent with the previous lump sum payment matches. To be eligible for this option, the employee must contribute an equal amount into his/her 401(K) account. This provision must be administered consistent with IRS regulations.

LETTER OF UNDERSTANDING #5

HUMAN RESOURCES MANAGEMENT NETWORK (HRMN)

During negotiations in 2001 the parties reviewed changes in terminology that resulted from the implementation of the new payroll-personnel system, HRMN. The parties have elected to continue to use terminology that existed prior to the implementation of HRMN even though that same terminology is not utilized in HRMN. The parties agree that the HRMN terminology does not alter the meaning of the contract language unless specifically agreed otherwise.

Examples include the terms "Transfer, Reassignment, and Demotion" which are called "job change" in HRMN. The HRMN history record will show each of these transactions as a job change, however they will continue to have the same contractual meaning they had prior to the implementation of HRMN.

LETTER OF UNDERSTANDING #6

MICHIGAN SCHOOLS FOR THE DEAF AND BLIND

The parties have discussed the special pay and time accrual practices which have existed at the Michigan Schools for the Deaf and Blind for many years. The parties agree to continue those practices with the understanding that they are to

be documented and brought before the Civil Service Commission for approval at their next scheduled meeting.

LETTER OF UNDERSTANDING #7

BANKED LEAVE TIME

The parties agree to extend the provisions of the Banked Leave Time Program agreement reached on February 12, 2004, until December 17, 2005. Employees shall not be eligible to accumulate in excess of 84 additional BLT hours during the term of this extension.

Utilization and payoff of BLT hours shall be consistent with the Internal Revenue Service approval of Part B of the State of Michigan Annual and Sick Leave Program, and those terms do not expire with this Letter of Understanding.

AFSCME Council 25 (U11) employees will participate in the Banked Leave Time (BLT) program, with regular pay reduced accordingly, for a total of 45 hours, at a rate of three hours per pay period for full time employees and on a pro-rated basis for less than full time employees. Participation in the BLT program shall begin with the pay period starting March 7, 2010 and end with the pay period ending October 2, 2010. Upon separation, retirement or termination any remaining banked leave time will be placed in the Employee's 401K. If the employee does not have an established 401 K, one will be established for them.

LETTER OF UNDERSTANDING #8

EXTRACURRICULAR RESPONSIBILITIES AT MSDB

The parties have discussed the long-standing practice of assigning extracurricular responsibilities at the Michigan Schools for the Deaf and Blind. Examples of these activities/responsibilities are Student Activities Director, Boys Basketball Coach, Yearbook Project Coordinator, etc. The parties agree to continue those practices.

Each spring the Administrative Director shall determine the responsibilities to be performed for the upcoming school year. Rates of compensation shall be established by the Administrative Director based on budget considerations, expected student participation and season schedule. This information will be forwarded to the Office of the State Employer no later than July 1 of each year.

The Office of the State Employer will review the proposed schedule and forward it to the State Personnel Director for review and approval.

The Administrative Director will provide notice of the extracurricular responsibilities to all staff. The assignment of these responsibilities will continue in accordance with current practice.

LETTER OF UNDERSTANDING #9

ARTICLE 15 OVERTIME

If the Union demonstrates to the Director of the Office of the State Employer that compliance with contractual overtime provisions is a significant problem at a work location, the Director may implement a remedy for continuing overtime errors which may include compensation up to a rate of one hour for every four hours of overtime incorrectly scheduled or the implementation of an alternative method of overtime distribution.

Nothing contained herein is intended to modify or restrict any other sanction that may exist or be created by mutual agreement.

LETTERS OF UNDERSTANDING #10

ARTICLE 22

The attached rules for network use will be used by the parties in determining in and out-of-network benefits. In addition, the parties agree to set up a joint committee for the purpose of creating any additional guidelines and reviewing implementation. The committee will also be charged with identifying situations in which access to non-participating providers may be necessary and developing procedures to avoid balance billing in these situations.

The parties have also discussed the fact that there are some state employees who do not live in Michigan. The following are procedures in place for persons living or traveling outside Michigan:

Members who need medical care when away from Michigan can take advantage of the Third Party Administrator's National PPO program. There is a toll-free number for members to call in order to be directed to the nearest PPO provider. The member is not required to pay the physician or hospital at

the time of service if he/she presents the PPO identification card to the network provider.

If a member is traveling he/she must seek services from a PPO provider. Failure to seek such services from a PPO provider will result in a member being treated as out-of-network unless the member was seeking services as the result of an emergency.

If a member resides out of state and seeks non-emergency services from a non-PPO provider, he/she will be treated as out-of-network. If there is not adequate access to a PPO provider, exceptions will be handled on a per case basis.

RULES FOR NETWORK USE

A member is considered to have access to the network based on the type of services required, if there are:

- Primary Care -Two Primary Care Physicians (PCP) within 15 miles;
- Specialty Care -Two Specialty Care Physicians (SCP) within 20 miles; and
- Hospital - One hospital within 25 miles.

The distance between the member and provider is the center-point of one zip code to the center-point of the other.

Member Costs Associated with In-Network or Out-of-Network Use

	In-Network	Out-of-Network
Deductible	\$200/individual \$400/family	\$500/individual \$1,000/family
Effective 1-1-09	\$300/Individual \$600/Family	\$600/Individual \$1,200/Family
Co-payments	Office Visits \$10	Most services 10%
Effective 10-1-08	Office Visits \$15 Services 0% or 10% Emergency 0%	(See 2. below)
Effective 10-1-08	Emergency room visit \$50 co-pay if not admitted	Emergency room visit \$50 co-pay if not admitted

Preventive Services	Covered at 100% Limited to \$1500 per Calendar year per person.	Not covered
Out-of-Pocket Maximum	\$1,000/individual \$2,000/family	\$2,000/individual \$4,000/family

1. If a member has access to the network, the member receives benefits at the in-network level when a network provider is used. The member is responsible for the in-network deductible (if any) and co-payment (if any). If a network provider refers the member to an out-of-network SCP the member continues to pay in-network expenses.
2. If a member has access to the network, the member receives benefits at the out-of-network level when a non-network provider is used. The member is responsible for the out-of-network deductible (if any), and co-payment (if any).
 - If the non-network provider is a Blues' participating provider, the provider will accept the Blues' payment as payment in full. The member is responsible for the out-of-network deductible and co-payment. The member will not, however, be balance billed.
 - If the non-network provider is not a Blues' participating provider, the provider does not accept Blues' payment as payment in full. The member is responsible for the out-of-network deductible and co-payment. The member may also be balance billed by the provider for all amounts in excess of the Blues' approved payment amount.

When a member has access to the network and chooses to use an out-of-network provider, amounts paid toward the out-of-network deductible, co-payment or out-of-pocket maximum cannot be used to satisfy the in-network deductible, co-payments or out-of-pocket maximum.

3. If a member does not have access to the network as provided above, the member will be treated as in-network for all benefits. The member will be responsible for the in-network deductible (if any) and co-payment (if any).
4. If a member does not have access to the network but then additional providers join the network so that the member would now be considered in-network, the member will be notified and given a reasonable amount of time in which to seek care from an in-network provider. Care received from a non-

network provider after that grace period will be considered out-of-network and the out-of-network deductibles, co-payments and out-of-pocket maximums will apply. If a member is undergoing a course of treatment at the time he becomes in-network, the in-network rules will continue for that course of treatment only pursuant to the PPO Standard Transition Policy. Once the course of treatment has been finished, the member must use an in-network provider or be governed by the out-of-network rules.

If a member is under a course of treatment on January 1, 2003 when the new State Health Plan is implemented, the member will be treated as in-network until the course of treatment is concluded pursuant to the PPO Standard Transition Policy. After that, the level of benefits will be governed by the in/out-of-network rules of the new State Health Plan.

LETTER OF UNDERSTANDING #11 GRIEVANCE MEDIATION

The parties agree to establish the use of mutually acceptable grievance mediation in an effort to resolve grievances pending at arbitration or pending docketing at arbitration.

LETTER OF UNDERSTANDING #12 EXPLORING OPTIONS FOR PLACING LAID OFF EMPLOYEES

Within 30 days of approval of this agreement, the parties shall meet to explore options available for placement of bargaining unit employees scheduled to be laid off and employment of bargaining unit employees who have been laid off. Such options may include, but are not limited to, reassignment in lieu of layoff, hiring qualified laid-off State employees for vacancies before others are hired, and pursuing establishment of approved class clusters for recall. If within 60 days the parties are unable to reach an agreement the Director of OSE and President of Council 25 or their designees will meet to resolve the issues. The parties agree to have equal numbers of representation at the table.

LETTER OF UNDERSTANDING #13

ARTICLE 15 SECTION N. COMPENSATORY TIME

Section N. Compensatory Time.

Employees may choose either to receive cash payment or with departmental approval compensatory time for holiday hours worked in excess of eighty (80) in a pay period. Overtime credit earned on a particular day may not be split between cash pay and compensatory time. Employees may accumulate up to a maximum of eighty (80) hours of such compensatory time.

On a pilot basis the above maximum accumulation of eighty (80) hours will be increased to a one-hundred twenty (120) hour maximum until December 31, 2011. At this time the parties will discuss continuation of the increased hours.

LETTER OF UNDERSTANDING #14

ARTICLE 19 SECTION D. TRAINING

The parties agree to explore methods for Competency Evaluated Nurse Aide (CENA) training for Residential Care Aides to become certified.

LETTER OF UNDERSTANDING #15

CONTRACT EXTENSION

The collective bargaining agreement for the Institutional Unit will be extended for one year. Non-compensation provisions will continue through December 31, 2011; compensation provisions will continue through September 30, 2012. However, in the event an across the board wage increase for FY 2012 is voluntarily agreed to during negotiations in 2010, with the UAW or MSEA, and approved by the Civil Service Commission, upon request of the Union on or before March 1, 2011, negotiations for an across the board increase for F/Y 2012 will be reopened no later than April 1, 2011.

LETTER OF UNDERSTANDING #16

NEOGOV

During the course of negotiations in 2011, the parties discussed the changes in technology related to the hiring process; specifically the NEOGOV system. The parties have agreed to explore the use of this technology for mutually beneficial opportunities in order to streamline the transfer request process. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

LETTER OF UNDERSTANDING #17

New Solutions Committee

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that Lean Optimization can be a valuable tool in achieving the effective use of resources. Lean Optimization has the simple goal of helping state government work better for both its customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the Coalition Unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives

from the Departments and/or the Civil Service Commission may participate as needed. The Committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.

LETTER OF UNDERSTANDING #18

Joint Healthcare Committee

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "Committee") whose charges will include, but not be limited to:

- a. Analysis of current plan performance identifying opportunities for improvement;
- b. Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;
- c. Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;
- d. Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;
- e. Investigate impact on outcomes and costs of Value Based Benefit Designs;
- f. Identify opportunities for cost-containment programs and carve out programs;
- g. Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;
- h. Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;
- i. Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;
- j. Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;
- k. Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the Committee in carrying out their charges.

Within 30 days of the effective date of the Agreement, each union shall appoint a representative to serve on the Committee and the Employer shall designate up to four representatives. The Committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the Committee shall be scheduled with the first being held no later than 45 days following the effective date of the Agreement.